

In fact

For The Millions Who Want a Free Press

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Knudsenism Out?

THE reliable financial letter Trends says official Washington is "seething with reports of reshuffling and streamlining of the organizations handling war goods output. Two main changes are expected. One is the emergence of the Army and Navy Munitions Board. . . . An executive order has been prepared which would demote or destroy OPM [Knudsen]. . . . Second is the creation of an Administration of Supply similar to British Ministry of Supply. . . . Roosevelt . . . is almost certain to act soon to quiet the mutterings about delay, choke points, and jealousies in the existing setup."—(Dow Jones copyright, Jan 8)

Thurman Arnold's Charges

(Here is the report on Thurman Arnold's indictment of the treason of Big Business as sent to the labor press by its cooperative non-profiteering news agency, Federated Press.)

SABOTAGE of the defense program by the practices of monopolistic corporations was charged by Ass't Att'y-Gen Thurman Arnold in his annual report to Congress.

"After a year of defense efforts," he said, "we find consumers threatened with artificial price spirals, independent business threatened with destruction and agriculture forced to resort to price-raising methods in order to keep up with the procession."

Arnold declared that "looking back over 10 months of defense effort we can now see how much it has been hampered by the attitude of powerful private groups dominating basic industries who have feared to expand their production because expansion would endanger their future control of industry."

"These groups," he added, "have been afraid to let others come into the field. They have concealed shortages by optimistic predictions of supplies, and talked of production facilities which do not exist."

"Antitrust investigations during the past year have shown that there is not an organized basic industry in the US which has not been restricting production by some device or other in order to avoid what they call 'the ruinous overproduction after the war.'"

86 Firms Got 75 Percent

"Concentration of defense orders," Arnold's report continued, "have aggravated the situation. During the past year three-fourths of all our vast war contracts have been let to 86 concerns. . . ."

"The emergency power to impose price ceilings becomes a mockery in industries where costs are raised by artificial restrictions. The building industry is a

U. S. Action on Auto Industry Demanded p. 1

"Year's Biggest Story" Killed or Buried p. 2

Leading "Liberal" Joins Brasscheckers p. 3

"THE public be damned! said old man Vanderbilt.

"Providence has entrusted the ownership of industry to us," said "Divine Right" Baer.

And now Charles E Wilson, president of General Motors, hurls a defiance at the American people which overtops these others in arrogance, and holds infinitely more danger to this country, if unchallenged. Explaining why the automobile bosses wrecked the first attempt at a labor-industry-government setup to convert the industry to war production, Wilson said (Jan 6):

"No changes are required in our present industrial setup to do this job. We can use our facilities completely *without surrendering the prerogatives of management.*"

Thus far "the prerogatives of management," as upheld by Knudsen's OPM, have succeeded in delaying and sabotaging our war effort for more than a year. President Roosevelt in his message to Congress warned that speed is essential to save lives; and he was talking specifically about speed in building weapons of all kinds—which means the automobile industry, converted to war uses. General Motors, through its president, answered the people of the United States, eight hours after *their* president spoke, by saying in effect that if there must be delays—and lives sacrificed to our Fascist enemies—then delays there must be, for the automobile bosses will not surrender "the prerogatives of management."

Can't Rely on Auto Bosses to Do the Job

"Can the present management of the automobile industry be relied on to convert the industry to a full war effort?"

"No," replied Representative John M Coffee, when IN FACT wired him the question.

"No," said Representative Vito Marcantonio of New York.

"No," said Carl A Swanson, director of Region No I-C, Auto Workers Union (CIO), in Flint, Mich.

"No," said William McAulay, Regional Director at Pontiac, Mich.

"No," said George S Nordstrom, Regional Director at Milwaukee.

"Do you think the government should take over the industry? What time limit would you set before demanding government step in?" were other questions IN FACT asked labor leaders and legislators. Here are the first few days' answers; we shall print others as received:

"Government should set 30-day period beyond which time they should be ordered to convert entire industry for war purposes. Imperative that uncooperative industrialists be compelled to subordinate interest dictated by private profit to needs of war. Rubber famine should have been anticipated and forestalled; stock pile copper could readily have been provided; steel industry should have been expanded for war needs. Failure to set up magnesium plants, due to influence of Alcoa and Dow Chemical, indefensible. We must purge OPM of salaried stooges of monopolies."—John M Coffee.

"The refusal of management to convert plants, integrate the industry and pool resources to meet war needs, and the inaction of OPM Director Knudsen, convinces me that the President should appoint a labor-management-government committee with full power to convert and manage the industry—today."

"There can be no 'time limits,' no more stalling, no more leisurely consideration of plans."

"The United Automobile Workers have given irrefutable proof of their ability to turn out the war materials we need and must have. The runaround they are getting must be stopped and their ability, energy, resourcefulness and patriotism put to work in the service of the nation as co-manager of the industry."—Vito Marcantonio.

"I do not think the government should take over the industry. My opinion

is that management should be changed or given directions, and I do not think that they should be given over ten days."—Carl A Swanson.

"In favor of government taking over industry. Would suggest government step in at once."—William McAulay.

"They (present management) have failed miserably, much to the disgust of the entire nation for not having departed from 'business as usual.' The tycoons of auto industry today see six billion dollar signs and neat profit through the so-called American system. Well, this time it happens to be war. Yes (government should take over the industry) because the tremendous task on hand can only be completed by one directing force, our government. The time limit has passed, American blood is being spilled. It now must be the national interest before class interest."—George S Nordstrom.

YEAR'S BIGGEST STORY BURIED BY PRESS

SAVE in a few instances the commercial press is running true to form in concealing the truth about how Big Business is holding up defense. Wilson's statement was played down—in only one paper, the NYDaily News, was his statement putting "the prerogatives of management" first even printed, so far as IN FACT knows. But there is a far more important instance of suppression, on the same vital question of defense production.

Thanks to the vigilance and cooperation of patriotic fellow newspapermen who have voluntarily and frequently aided IN FACT, we have the evidence that what our Chicago correspondent calls "the biggest news story of 1942" has been generally buried and in many cases killed by the press of the country.

The news story is the official confirmation of the charges made by progressive labor unions and publications in the past year that the great corporations—the 200 industrial concerns which the O'Mahoney Monopoly Investigation showed owned and controlled America, including Congress and the American Newspaper Publishers Ass'n—have committed an act of treason in sabotaging the defense program.

The evidence is contained in the annual report of the Attorney General's office to Congress. It was submitted the afternoon of Jan 3, could have appeared in some afternoon papers, should have led the front page of every morning paper Sunday Jan 4, in the opinion of newspapermen.

Moreover, the United Press, second biggest news service in America, buried under routine reports of other officials Thurman Arnold's flat declaration that Big Business sabotaged defense. IN FACT's correspondent writes:

"The story was sent out of Washington Jan 3. UP dropped Arnold down to the 7th or 8th paragraph, leading with something about Biddle. NY's PM carried a story. Don't believe the (Capt Patterson) News or (Hearst) Mirror did, and I have reason to believe it was buried . . . in the Times. Seems to me this was a hell of a good and important story of vital interest to every American. It sheds light on our Far Eastern difficulties." With this letter is enclosed the actual copy as sent by United Press to its clients, which is herewith quoted exactly. Buried under leading paragraphs about Jackson and Biddle reports is the following:

In his section of the report, Ass't Att'y Gen'l Thurman Arnold of the anti-trust division charged that powerful private groups hampered the national defense effort during its first 10 months because of fears that expansion would endanger their control of industry.

He warned that consumers were threatened with artificial price spirals, independent business was threatened with destruction and agriculture was forced to increase prices "to keep up with the procession."

Arnold said a review of the first 10 months of the defense program showed it was "hampered by the attitude of powerful private groups dominating basic industries who have feared to expand their production because expansion would endanger their future control of industry."

"These groups," he said, "have been afraid to develop new production themselves. They have been afraid to let others come into the field. . . . They have concealed shortages by optimistic predictions of supplies, and talked of production facilities which do not exist."

Arnold did not name the Mellon and Davis families of Aluminum Co, the DuPonts who control General Motors, the Rockefellers of Standard Oil, Bethlehem and US Steel, Ford, Chrysler and General Motors, the \$-a-year men, such as Knudsen, Stettinius and others who handed out the war contracts to big corporations which own and control the nation (Monopoly Investigation, Monograph 29) and the press through advertising (Monopoly Monograph 26) and which put up the bulk of the money to elect Congressmen (documentation IN FACT Nov 4 1940).

The men and corporations which betrayed America in 1941 are also the very same which are the big advertisers in our newspapers and magazines and which have been protected by silence (IN FACT Jan 15 1942).

As IN FACT's correspondent assumed, the NYDaily News and Mirror didn't use the Arnold charges at all; neither did the Herald Tribune; it was buried on an inside page of the Times. In Philadelphia the Record was the only one to carry it, on page 10; Inquirer and (next day) the Bulletin had nothing. In New York the afternoon papers of Jan 5 didn't have it. IN FACT has not the facilities to

mass of such restrictions and so long as they exist, price ceilings on building material merely reward the conspirators.

"The distribution of food in large cities is hampered by monopoly charges on transportation, distribution, protective local trade barriers, private pools to raise prices through marketing arrangements, and suppression of more efficient ways of distribution."

Arnold concluded by saying that "it is a fundamental axiom of industrial democracy that you cannot allow private groups to exercise economic power over others uncurtailed by law. If there is no referee at a prize fight, the man who puts on brass knuckles will win. And the same is true in the industrial game, particularly in a time of huge government spending."

A Girl Needs \$23.26 a Week

THE NY working girl who wishes to maintain her independence of leering straw bosses must be paid at least \$23.26 a week, the State Dep't of Labor found in its cost of living survey for 1941.

A girl living with her family can get by for \$21.15, the dep't estimated, but the breakdown of the figures indicates that in some spots it would be a tight squeeze.

Miss Kate Papert, director of the division of women in industry, emphasized that the budget was not calculated to provide bare subsistence for the working woman. "It must make her independent of philanthropic agencies and other outside aid," she explained.

The limited breakdown indicates that the working girl is expected to lead an abstemious life. There is no provision for a glass of beer, and for candy and cigarettes the allowance is 30¢ a week, unless she chisels on the 15¢ allotted for church. For movies, opera, concerts, theater, she may spend 98¢ weekly, while for "education and reading material" the quota is 28¢—giving her six afternoon papers at 3¢ each and one Sunday paper at a dime. If the working girl wants to own a book, she will have to join the union and get a raise.

Asked whether the budget includes an allowance for union dues, a spokesman for the Dep't of Labor hesitated for quite a while. "We are not permitted to give further details on how the budget is broken down," was the final answer. Apparently, however, union dues are out.

The Budget

HERE is how a girl who lives at home would spend her \$21.15 on an annual basis:

Home expenses (food, housing, etc)	\$511.61
Clothing	200.29
Clothing upkeep	14.51
Personal care	36.46
Medical care	61.04
Insurance and savings	70.01
Leisure time activities	113.42
Recreation	50.81
Vacation	40.00
Education & reading	14.81
Church contributions	7.80
Other living essentials	93.35
Transportation	54.75
Charity, gifts	10.00
Candy, cigarettes, etc.	15.60
Incidentals	13.00

The budget lacks any provisions for income taxes, unless taken from savings. A girl living away from home would

be expected to pay for her room and all meals with \$11.94 a week, which would mean about \$1 a day for food if a cheap room can be found.

The highest minimum wage so far established in New York state is \$16.50 for beauty shop workers, which is just 70% of the amount needed for the department's budget.

Whose Meeting?

AMERICA's Town Meeting of the Air (WJZ and Blue Network, National Broadcasting Co, Jan 8) discussed "How Can We Speed Up War Industries." Willard Chevalier, publisher of Business Week, Reid Robinson, vice-president, CIO and Albert Ramond, president Bedaux Co, spoke. Chevalier uttered the usual platitudes about labor and management cooperating; Ramond said, "I agree on the necessity of the cooperation of management and labor," but Robinson blasted management for its sabotage of the defense program.

"Business-as-usual is to blame," he said; "management still thinks more of profits than of the nation's security. . . . Industry is too anxious to make profits . . . it refused to convert plants." He quoted Tolan Committee report in evidence. This report has been generally suppressed in the newspapers. Robinson showed that whereas Air Associates was behind schedule before the strike in which labor asked Roosevelt to seize the plant, it went 37% ahead during military occupation, thanks to labor. Robinson named General Motors specifically for failure, agreed that some War Dep't brass hats were partly to blame, but management (i e, Big Business) most to blame.

In the question period a woman asked: "How can we specifically stop the sabotage of our national defense by the auto industry?"

At this moment Moderator George V Denny stopped the questioner. "This is not a fair question," he said.

There was a murmur of disapproval in the hall.

Thereupon Denny muttered something about "an anonymous person" not having the right to ask such questions.

Apparently the auto industry and big business, which put up the money for paid programs on the Blue Network (NBC) must be protected from criticism over the radio, despite the fact that sabotage of the auto industry has been officially established by Thurman Arnold, the Tolan Committee, and the CIO. Apparently also Town Meeting of the Air is no longer a town meeting, based on democratic principles and free speech.

Peglerized News

DURING the Greyhound bus strike, just settled, the motor coach union NYC was

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check the entire press on every issue; readers can go back to their local papers, and see if they suppressed the story.

Chicago Tribune Suppressed the News

The most interesting case of suppression and burial of the news occurred in Chicago. The Tribune is of course still sniping at a real war of a world united against Fascism, and this would have been a great opportunity to smear the Roosevelt administration. But the lifeblood of advertising is still the strongest factor in American newspaper policy, and the Arnold confirmation of labor's charges was one of the most sensational exposures of big advertisers in our history. Here is a summary of the situation from our Chicago correspondent:

Tribune: suppressed the story; not a trace in final edition Sunday.

Herald-American (Hearst): 8-star sports edition Saturday carried nothing, although it had adequate time to print it.

Herald-American (Sunday): Published 3 paragraphs, page 4, col 3, bottom half of page. Senator Truman's charges ignored.

Daily News (Col Knox): Carried story page 1, Saturday; 6 paragraphs.

Times (Sunday): Story under 1-col head, page 12 (ARNOLD CHARGES PRIVATE GROUPS HELD UP DEFENSE); 8 paragraphs; no Truman story.

Sun (Marshall Field): 1-col head, p 1 (ARMS DELAY BLAMED ON BIG BUSINESS): full column, both Arnold and Truman charges. Monday Sun editorial said: "Let us drive the money changers from the temple. Let us name names and punish wilful wrongdoers, sparing no one. . . . Let him who foresaw . . . cast the first stone at these unfortunate \$-a-year men whose only crime is that they have not always been equal to the task." Chi correspondent adds: "Strange that union leaders should have foreseen . . . that the 'unfortunate \$-a-year men' were the only ones blinded. Blinded by profits? . . . If Sen Truman names corporations guilty of treason, it will be interesting to see what papers list the names." (Newspapers sometimes will publish generalities about Big Business but when corporations which advertise are named, publication becomes more doubtful. At any rate, the evidence accumulates daily that the press has protected those whom Arnold now officially blames for sabotaging our defense program; and if advertising pressure is not the explanation, then community of interests is.)

LEADING 'LIBERAL' WRITER JOINS BRASSCHECK GAME

EVERY year the small liberal press of America loses some of its best writers to the anti-liberal press. The liberal press usually pays a cent or two a word; sometimes it pays nothing. The Big Business press pays 5¢ a word up. Saturday Evening Post, Colliers, McCalls, Readers Digest pay as much as \$2,000 an article of 5,000 words. Naturally the liberal press writers have to face the problem of principles or profits.

Mark Sullivan was one of the great muckrakers of Lincoln Steffens' time. He exposed the corruption of Big Business in Colliers. But Colliers was bought up by J P Morgan and Sullivan later turned reactionary. Walter Lippmann of the New Republic took a trip on the yacht of Morgan partner Thomas W Lamont and now writes the stuff that pleases the economic royalists. Frank Kent is an ex-liberal. Max Eastman once made super-radical speeches in Moscow; now he redbaits for the millionaire Readers Digest. There is no money on the liberal side.

Latest renegade is John Chamberlain. In January "Fortune" Chamberlain, once a proponent of Marxian socialism, shows himself making a complete circle. He now approves the Mussolini-Hitler-National Ass'n of Manufacturers anti-labor program. Under the heading "Democracy and the Closed Shop" Chamberlain calls the closed shop undemocratic (says Federated Press). The trouble with the closed shop, Chamberlain argues, is that it makes no provision for men of strong principle who just don't like unions. It leaves power in the hands of active members who get things done.

Chamberlain thinks the inactive member should enjoy a more powerful position in his union, and that only through the open shop can he do so.

"The open shop is the only good, the only absolutely certain guarantee of union democracy," he argues. "For under the open shop the average amiable union member finds himself cultivated by the natural-born politician. His views are sought out, his wishes are deferred to, his support is courted. The natural-born politician knows what a tremendous veto power the average amiable individual has if he merely chooses to quit the organization or to cease paying dues into its treasury."

Chamberlain's article was read with interest by his fellow members of the American Newspaper Guild (CIO), who were aware of the following facts:

1. John Chamberlain is an amiable but inactive member of the guild who has given no appreciable aid to organizing or bargaining.
2. In recent months his support has not been courted, nor have his wishes been deferred to, by the active members of his unit at Time Inc.
3. His employer, Time Inc, is a last ditch opponent of the union shop, the union label, and almost everything else that includes the word union.
4. Time has for years fought a guild demand for the union shop, using some of the identical arguments that Chamberlain cites.
5. Time has failed during a year of negotiations to bargain on an above-board basis on the guild demand for a 10% wage increase.
6. The most recent union-busting action of the management was the dis-

missal of Anna Goldsborough, a former unit chairman and a militant unionist. Fortune magazine identifies Chamberlain as "a distinguished liberal who has often espoused the worker's cause." This was true until Chamberlain joined the millionaire Fortune outfit.

The founder of the Newspaper Guild, Heywood Broun, was fond of saying of such people as Sokolsky, Pegler, Sullivan, Ben Stolberg, Reuban Maury and the like, that when they looked up from their kneeling position, the shoeblack was thick on their lips.

John Chamberlain's licking Henry Luce's non-union boots comes at a most ironic time. Not only is ex-liberal Chamberlain inactive in the Newspaper Guild, but the Guild is threatening to strike on Luce's newsweekly Time. IN FACT has received following statement from Guild:

"The Newspaper Guild of NY today began a nationwide campaign to publicize refusal by the publishers of Time, Life, Fortune, March of Time and Architectural Forum to arbitrate serious controversies with their editorial employees. The disputes involve wage negotiations between Time Inc and the Guild and the discharge of Miss Anna Goldsborough, former chairman of the Guild's unit at Time and a bureau head of Life." A strike vote was suspended when the US entered the war. Guild points out Time made \$8,000,000 profit in 1941 but refuses to pay enough to meet increased cost of living. Life fired Miss Goldsborough for her "attitude," i e, for union activities.

Labor for years has protested the publication of Life and Time by Donnelly press, Chicago, leading anti-union plant. Union labor recommends a boycott of all Luce publications. Luce is one of Roosevelt's \$-a-year men.

JAP HIROHITLERS ALSO MAKE JEWS THEIR SCAPEGOAT

by LEWIS BOOTH, *assoc. editor Official Union Journal*

MOST people think of Judaism as a nationality or a race. Many Jews themselves make this mistake. Judaism is a religion the same as is Protestantism, Catholicism, Mohammedanism, etc. There are Chinese Jews, Ethiopian Jews, Turkish Jews and Greek Jews, Spanish and Portuguese Jews, Scotch and Irish Jews, just as there are Catholics and Protestants belonging to these national groups. There are even Japanese Jews.

Lately, the tiny minority of Japanese Jews has become Japan's official scapegoat, supplanting the small Korean minority on which the Japanese ruling class previously had blamed its mistakes. Last week, in an obvious effort to please its Nazi masters, the Japanese gov't launched a virulent drive against its Jewish citizens in all Nipponese-controlled countries, according to DNB, official Nazi press agency.

Ordering the expulsion of all foreign-born, as well as Japanese-born, Jews from its principal cities, Kobe and Yokohama, the Japanese gov't attempts to defend its nazified action by charging that the Jews are too sympathetic to the ideas of "decadent democracy as practiced in the United States and Great Britain," and thus are liable to commit acts of espionage against Japan and the Axis.

In Japanese-controlled Manchukuo the Fascists already have closed the synagogues and interned rabbis and congregational leaders because synagogues are "nests of pro-democratic propaganda."

Since Japan grabbed Thailand, formerly Siam, Siamese Jews—men, women and children—have been thrust into concentration camps where Nazi agents question them (often by the torture method) on their attitude toward the democracies.

The Hirohitlers, in all public communications, now refer to Jewish citizens living in the Axis as the "fifth column" which, considering the source, is decidedly a compliment to the Jewish people.

To better understand the ruthless implications of Japanese Fascism, one must know that in the past five years more than 200,000 Japanese citizens have been seized by the dread secret police, which has tortured, then quietly executed them. In cases where the secret police were unable to pin any specific violations on them, the victims were executed for harboring "dangerous thoughts" against the emperor and, no doubt, against the fabulously wealthy Mitsui family which, it is said, owns every militarist and politician in Japan and even the emperor himself.

notified that 21 buses filled with soldiers of our new army were transferring for NY and New England holidays. Permission was granted Penn Greyhound to cross picket lines by Business Agent Wanek for strikers. Union notified Supt Wilkins of Greyhound. Strikers volunteered to man buses, to take army boys anywhere, as patriotic gesture. But Greyhound management refused. Union gave the story to Associated Press but since it hasn't appeared anywhere, it was suppressed either by AP or newspapers.

Every item which can be used to attack labor is generally published in most papers. Westbrook Pegler sits up day and night gnashing his dyspepsia over every item which can be distorted to smear labor. News is peglerized. Rarely is an item giving labor's side played up in the press—never in Pegler's column. Pegler poisons the "minds" of his 8,000,000 readers. Pegler began his career as a columnist by writing in favor of lynching. Now labor is lynched almost daily; the Pegler column is a scaffold.

New Lynching Technique

FIVE known lynchings and two fatal attacks on Negroes in Texas courtrooms marked the US record of mob violence in 1941, Nat'l Ass'n for the Advancement of Colored People reports. The murder of Bob White and Mott Flournoy in Texas courtrooms is called a new lynching technique by NAACP. Murderous Texas mobs permit accused to be brought to trial, individuals kill their victims in the courtroom and usually go free.

We Lose a True Friend

IN the death of Mrs Catherine Warren, of Princeton, NJ, IN FACT loses one of its original subscribers and one of its best friends.

Mrs Warren sent IN FACT a sum of money. Since IN FACT has never received contributions or subsidies from anyone in the world, the money was returned. Mrs Warren then suggested that dozens of Senators and members of the House be sent IN FACT with her compliments. This was done. Mrs Warren also distributed sample copies in Washington and Princeton and helped make IN FACT a success.

We Mourn This Loss

THE American Guardian, famous weekly which waged 25-year fight against war and abuses of the profit system, has suspended publication with Jan 1 issue, although it changed to full support of present war against Fascism. Founded by Oklahoma City liberal Oscar Ameringer, longtime fighter for free press.

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